

# COMMUTER COUNCIL OF NSW

[c/- 4 Batley St, Gosford NSW ]

TO

IPART

RE

## FARE RISES PROPOSED FOR sept 2003 on Government owned and operated services

---

### **Background.**

Each year the Independent Pricing and regulatory Tribunal [ **PART 3** ] considers fares levied on users of public transport services.

In doing so, it is understood that, the tribunal is required under the **PART Act 1992 SECTION 15 REQUIREMENTS** to consider

### **A. Costs and efficiency**

including

1. the cost of providing the services concerned
2. the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
3. the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
4. the need to promote competition in the supply of the services concerned

### **B. Financial viability**

including

5. the appropriate rate of return on public sector assets, including appropriate payment of dividends to the

government for the benefit of the people of NSW

6. the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets

---

including

7. the protection of consumers from abuses of monopoly power in terms of price, pricing policies and standard of services

8. the effect on general price inflation over the medium term

9. the social impacts of the determinations and recommendations

10. standards of quality, reliability and safety of the services concerned

---

including

11. the need to maintain ecologically sustainable development by appropriate pricing policies that take account of all the feasible options available to protect the environment

12. considerations of demand management and least cost planning.

#### **SECTION 16 REQUIREMENTS**

- required to report on the likely annual cost to the government if fares were not increased to the maximum permitted, and the agency were compensated from the Consolidated Fund for the revenue forgone.

### **THE COMMUTER COUNCIL OF NSW**

The Commuter Council was formed in the early seventies and has operated continuously since then. Each year it makes a submission to IPART providing comments on the issues as it sees them. The council does this on behalf of the various commuter associations who are charged with identifying the needs and wishes of commuters in their areas.

#### **RECOGNITION**

The Council meets monthly and is attended by reps from nearly all commuter associations.

A good relationship has existed with all Ministers of both Labor and Liberal Governments.

Meetings have been held from time to time with the Minister responsible for public transport to discuss topical issues.

In recent years the Parliamentary Secretary has attended most council meetings.

Negotiations are currently underway with the new Minister, to establish a similar recognition..

#### **COMMUTER ASSOCIATIONS**

Most commuter associations hold public forums about every two months, with forums being advertised on railway stations or other suitable areas. This affords a good cross section of users the opportunity of having their say on public transport issues and service levels. As a result, the council has developed considerable experience on the needs and wishes of public transport users.

#### **CONSIDERATION**

The council therefore considers that submissions it makes to various authorities should receive serious consideration.

#### **RAIL ITEMS FOR CONSIDERATION**

1. Over the years, commuter associations believe that fares have increased in real terms without a corresponding real increase in service levels. [which means that public transport has become less efficient]

2. Some members argue that this due to the urban sprawl, with the cost and difficulties of moving commuters further and further between work and home. Other members argue that this extra burden is due to poor government planning in providing effective decentralisation of employment opportunities. Yet other members argue that a good environment is needed to raise children and that families can no longer afford detached housing in the closer suburbs suitable for the raising of children.

All seem to agree that this situation is the governments fault and should be paid by the community at large rather than commuters in particular.

3. Another argument is that the cost of selling and collecting fares using costly machines or manned ticket facilities is no longer efficient and that the proportion of fares going to the ticketing sales, infrastructure, administration and enforcement is excessive, and that some other way of collecting revenue from users needs to be found. [ Ask SRA/STA to indicate cost of ticketing ]

4. It is acknowledged that the taxpayer does provide a large contribution to moving commuters between the CBD and their homes, although this is most likely due to the fact that commuters would desert the public transport much more than they already have if the subsidy were not forthcoming. This would most likely result in the collapse of the public transport system as it is currently provided, together with a massive demand increase for road amplification and the collapse of the CBD as we know it.

5] That the lower income levels of total family incomes of some commuters affect ability to pay and should be considered when setting fares.

6] The need for a fare structure that will attract people from their cars.  
[Who should have the duty to establish the effect of any fare rise on modal split prior to making a decision. Sydney urgently needs a decrease in motor vehicle use to reduce accidents, pollution and land alienated for roads]

7] Fare rounding should take place only after fares have been determined and should relate to cash fares only.. The CPI and GST should be calculated on pre rounded fares. Pre rounded fares should be worked back to 1995. Weekly and other calculations should be on pre rounded fares.

8] CPI should be based on proven not estimated CPI. The figures used to calculate pensions should be used.

9] Should different types of passengers who have different affordability levels pay different fares. It is acknowledged that this could lead to cheating, but some means of paying according to means needs introducing. Already some differential is in place .e.g. pensioners, apprentices etc.  
[ e.g. (a) Some low paid workers have to pay a large proportion of their income for fares.  
(b) The total family income in some areas, in which work for wives is difficult to get, is lower than in other areas and needs to be considered before deciding on the ability to pay by users.] Maybe fares can be kept low and affordable to all users by adding a surcharge on payroll tax [particularly CBD employers] which could go to transport.

10] There should be a sliding discount ticket for part time workers?

11] Statistics used to determine fares should be based on passenger KM rather than passenger trips.

12] Some commuter associations believe that the split up of State Rail has resulted in increased operational costs and decreased service levels? This is inefficient. Should reamalgamation be considered.

13] The council believes that service levels should play a part in fare level increases.  
[Such things as journey speed, service interval, journey reliability, disruption recovery, trip comfort, could be deciding factors]

[ it is noted that providers having been playing down Journey speed as a factor of late, but this council considers that journey speed is a most important factor in service level ]

14] Service standards should be openly reported to users by such media as web pages.  
[PART should make it a condition of any fare rise, that the SRA and STA should publish on a Webb page daily, the service by service performance, including journey speed, part or whole cancellation and stops added or skipped and connections missed]  
The ongoing secrecy about service levels has to stop.

15] Some commuter associations believe that a greater effort must be made to introduce a low cost fare evasion detection system, as it is not fair that honest farepayers have to subsidise dishonest ones.

16] All commuter associations believe that public transport fares should be exempt from the GIST.

17] If a sincere effort is to be made to attract commuters from private cars to public transport, then a discounted combined rail/private bus ticket is needed.

18] Fares must not be allowed to rise more than any ACTUAL CPI increase. Care needs to be taken as the Govt tends to inflate CPI when dealing with fare increase and decrease CPI when dealing with wages.

19]. Any contribution from employers should include other CBD's such as Parramatta.

20]. Performance should be related to the total trip and not individual trains arriving within 3 or 5 minutes of tabled times. 21] Items to be considered should include connecting services, bus services (& conduct of bus employees) in lieu of trains during maintenance works, accuracy & reliability of information available to passengers, suitability of timetable to passengers etc. Based on past performance, no increase in fares is justified.

22]. The service providers should be required to submit an action plan on how they propose to get a bigger market share before being granted a fare rise. [i.e. how will they get drivers out of their cars & onto trains & buses?].

-----

**Some possible low cost changes that could be advocated to benefit users.**

13 The introduction of one way off peak tickets.

[It is believed that this would encourage greater use of off peak services, reduce peak demand, and give commuters a viable option to car use.]

2] The need for distance based fares as well as time based fares in Newcastle.[trains and buses]

{This would encourage greater use of Hunter St buses by comparative shoppers.}

(Many shoppers find the existing minimum time based bus ticket too costly to use)

**CONCLUSION**

In view of the perceived poor service levels since the last fare rise, and the past real increases in fare levels, should any fare rise be allowed?

P.S. What happens to cities where public transport is almost removed. Excessive car usage, excessive road expenditure, excessive isolation for those that cannot afford a car or are too young or old to have a car. Road accidents cause grief to families and fill our hospital beds with injuries. Road pollution is causing an enormous number of respiratory problems. With good public transport foreign companies would sell fewer cars, tyres, fuel and spare parts reducing our trade deficit. It is time for the burden of public transport support to be taken out of the farebox and squarely placed in the hands of authorities, Governments and authorities supporting overseas interests by not supporting public transport. The RTA must encouraged to become a supporter of Australian interests. Public transport must be supported, cultured and encouraged to supply the needs of the community and not merely to make a profit.